Here’s One New Way for Business Owners to Cut Costs and Meet Sustainability Goals

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Representing more than 99% of all businesses across the country and employing some 60 million people, the success of small and medium-sized business (SMBs) is intrinsically linked to the economy’s well-being. But times are tough for SMBs: margins are narrowing, interest rates are rising, supply chain shortages and inflation remain rampant and to top it all off, stakeholder demands for sustainability have never been greater. Today’s pressures demand new solutions; with clean technologies, SMBs have the chance to not only address and overcome these challenges but also turn them into a competitive advantage.

While the word “cleantech” often conjures up sprawling images of utility-scale solar arrays and offshore wind farms, this is a fairly superficial depiction of the industry — a stereotype, so to speak. In reality, many small-scale cleantech solutions are quickly becoming a regular part of consumers’ everyday lives and increasingly playing an outsized role in reducing businesses’ operating costs. For many — like locally owned and operated retail business owners — these expenses underscore a majority of their ongoing resource challenges and present a massive economic opportunity to advance cleantech adoption.

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Slashing energy bills

Rising and seldom-predictable energy costs have long been a thorn in SMB owners' sides. Retail spaces, especially restaurants, for example, can't turn off — or even turn down — their appliances, cooling equipment or lighting to scale back on operational costs, making them particularly susceptible to volatile energy prices.

Fortunately, cleantech business models, such as Energy Efficiency as a Service (EEaaS) are enabling new solutions to this problem, allowing businesses to access cost-and emission-saving equipment upgrades through long-term contracts. And within just a few years, these investments pay for themselves through cumulative energy savings. From new HVAC architectures to optimized lighting, temperature and refrigeration controls, IoT sensors and heat pumps, everyday cleantech solutions are proven to drive down operating costs, freeing up time and capital that owners can deploy elsewhere.

Determining what investments are needed might sound cumbersome, but experienced and trustworthy cleantech partners make it easy. After assessing a space's energy footprint, EEaaS companies can quickly identify a site's most pressing upgrade needs, facilitate immediate action and deliver measurable outcomes.

Driving public and private favor

Understanding macro forces that are actively reforming the U.S. economy is also key to staying profitable, as it enables business owners to align their core offerings with consumer wants and needs, minimizing commercial friction for a more pleasant experience. In recent years, sustainability, once an afterthought, now plays an often outsized role in consumer choices. Inundated with impactful reminders of climate change, including extreme weather events, rising sea temperatures and

declining biodiversity, consumers want to know that the businesses they're frequenting are aware of their environmental impact and actively looking to reduce it.

In addition to sizable cost savings, replacing inefficient technologies with cleaner alternatives offers SMBs opportunities to leverage reputational benefits and boost customer satisfaction. From improved indoor air quality and temperature stability to quicker, more reliable service operations and sensory-friendly lighting, the opportunities of sharing one's sustainability journey are unparalleled. Customers quickly take notice and are inclined to come back.

And for franchisees, incorporating cleantech into your operations can help drive positive corporate relationships. Showcasing environmental proactivity and improved customer contentment is bound to impress, especially when paired with long-term overhead savings, which cleantech fruitfully delivers.

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Getting ahead of the curve

While the prospect of mandatory environmental, social and governance (ESG) reporting remains distant for some, this attitude runs contrary to existing policy and regulatory signals and will lead to detrimental long-term outcomes. The SEC initially proposed ESG reporting guidelines in 2022 and though it faced delays following regulatory disagreements, it's widely expected to be finalized in 2023. Recognizing the economic imperative of ESG adaptation, other jurisdictions have also moved quickly to embrace mandatory ESG reporting. The European Union strengthened its existing regulations earlier this year, for example, whereas China, Canada and others are widely expected to roll out their own ESG frameworks by 2023 and 2024, respectively.

Businesses that are part of a chain, franchise or other corporate structure will inevitably feel pressure from their parent companies to reduce greenhouse gasses in the coming years. Even those that are fully independent will bear some impact as consumers continue to make clear the importance of strong ESG practices. However, getting ahead of the pack by adopting cleantech can preemptively neutralize these pressures, ensuring compliance with corporate ESG policies while positioning oneself as a community leader on the environmental front – an increasingly powerful sales hook.

Now more than ever, SMBs need real, tangible solutions to rising operating costs and evolving consumer demands. Solutions must be flexible, affordable and long-lasting; cleantech, despite its niche-sounding nature, has broad applications that can help small and medium business owners stay competitive and impress stakeholders with next-generation quality and efficiency. EEaaS companies – as key enablers of the green economy – offer SMBs streamlined access to clean technologies and their many benefits.

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